American and Chinese experiences on a common footing of similiar motives and aspirations. [57]

But Powell's active support of the Nationalist campaign as waged by the Chiang-wing of the Kuomintang was by no means immediate or automatic. News reports from South China by The Review's correspondents prior to 1927 were not free from identifying the movement as communist nor from labeling Chiang as a "red" leader. As the Canton forces moved toward the Yangtze at the end of July, 1926 however, The Review editorially urged greater foreign interest in the emerging conflict as one "involving principles not hitherto present in mere warlord struggles for personal power." [58] By mid-September, and the Kuomintang victory at Hankow, Powell found the KMT to be "the most promising element in the present situation." He was encouraged by the fact that the Canton force called itself a "National Army" and was concerned with the political education of its ranks. This, to Powell, "was something definite and tangible and (which) has a program." [59] He saw in this a force to be reckoned with not only by the northern warlords but by the Powers as well. Even at this stage, though, The Review adopted a watch and wait attitude toward Chiang himself. "It is reported," The Review related, "that General Chiang Kai-shek is different from the other militarists, but this awaits confirmation . . ." In fact, it continued, "the whole situation depends upon a large IF." [60] But by November Powell was ready to accept the Nationalists as the most viable alternative to a more radical solution in China. This did not imply the unqualified backing which came later, but it did cause The Review to editorially reject "the propaganda of foreign employees in the pay of the Northern militarists who point to the Red threat in terms synonymous with the Kuomintang . . . " [61]

d. Powell Responds to Change.

The immediate cause for the shift in Powell's policies was the change, as he viewed it, in the nationalist revolution itself. In the autumn of 1926 and particularly by the spring of 1927, the situation in China's domestic political struggle had changed. By early 1927 it appeared, to Powell at least, that the Nationalists had the intent, the popular support and the wherewithal to effect meaningful change in the name of all China. The Kuomintang, both in its program and military strength, now offered the prospect of a central government capable of extending its control and a rule of law throughout the country.

Coupled with the impact of this new factor in the Chinese domestic scene was Powell's increasing frustration and disillusionment as he faced the growing rigidity of the Shanghai "die-hards." Therefore, while the Chinese situation was becoming at one and the same time (depending on the viewpoint taken) both more promising and more threatening, no satisfactory results had been born to meet China's changing conditions either within the Settlement or with regard to the larger question of treaty revision.

The apparent failure of the Special Conference on the Chinese Tariff and the inconclusive results of the report of the investigation into the extraterritoriality question undoubtedly contributed significantly to Powell's impatient state of mind. Similarly, the social issues involving the Chinese use of Settlement parks and the entrance of Chinese into the Clubs of the treaty port were still outstanding points of disagreement. All of these questions played a part in the growing cleavage within the foreign community.

While some concrete steps had been taken toward the return of the Shanghai Mixed Court to the Chinese, the question of Chinese inclusion in the Municipal Council

was in a suspended state due to the Chinese refusal to cooperate. Powell saw as the reasons for this refusal both the new spirit unleashed by the Nationalist crusade and the delays of the foreign community in effecting any agreement with the Chinese. This situation, to Powell's way of thinking, only further enhanced the position of the radical elements in the Nationalist cause and lessened thereby the possibility of a peaceful and, from the standpoint of foreign interests, equitable solution to Sino-Foreign relations and the position of foreigners in China.

By February, 1927 then, the situation had clearly changed. The Nationalists had succeeded, in January-March, 1927 in wresting from Great Britain her concessions in Hankow and Kiukiang. These were now moving in the direction of Shanghai. Meanwhile, the French Concession in Shanghai, in late 1926, had responded to the gravity of the situation by establishing a joint administration of the Concession with the Chinese.

One result of these Nationalist successes was to inject into the situation the new and volatile issue of foreign intervention by the Powers. The demands by the "die-hards" for such action made the state of affairs even more urgent in Powell's mind. This, together with his feelings of anxiety and impatience and the example set by the British government at Hankow, moved him even further toward a strong policy on all fronts.

Following the Nationalist takeover of the Wuhan cities, the development of the Shanghai crisis became inextricably tied up with the question of foreign intervention and defense plans for the International Settlement. The fall of Hankow and Wuchang and the Chinese seizure of the British Concessions in Hankow and Kiukiang five months later indicated to Powell more forcibly than ever the need for conciliation and for coming to terms with Nationalist aspirations if similar consequences were

to be averted in Shanghai. But it panicked the leading citizens of Shanghai into elaborate measures for protecting the International Settlement from such a fate.

Powell's rejection of armed intervention by the Powers had its foundation in his interpretation of the Washington Conference mentioned above. As early as midsummer 1926, before the Nationalist forces had succeeded in gaining Hankow, Powell had met the first outcries for intervention by warning not only of its impossibility as a practical venture but also of its likelihood of inducing another world war and even greater chaos in China. [62]

In October he held up the Washington Conference and its principles of the territorial and administrative integrity of China to "what appears to be a somewhat general lack of understanding of the international status of China on the part of a considerable section of the foreign press both in China and abroad." Making a particular reference to the British press, Powell stated that "the Nine-Power treaty clearly prohibited any international intervention and that the Powers can do nothing except maintain a "benevolent neutrality while China is working out her experiment." [63] Fortifying his faith in the intention of the Powers to refrain from a demonstration of force in China, Powell presented his argument against intervention to the foreign community in more practical terms. [64] Even assuming that intervention was a desirable alternative, Powell declared that the mere physical requirements of such a venture ruled it out as a possibility. No power, he said, was ready to dispatch the hundreds of thousands of troops necessary to quell the nationalist tide. [65]

Moreover, conciliation and negotiation was a matter of self-defense. Proceeding from the premise that trade was now the sole interest the foreigner had in China, Powell argued that it could be saved only by conciliation. "Trade," he said, "cannot flourish in an atmosphere of distrust and suspicion." [66] During the spring of 1927 he warned that

although the "fair city" of Shanghai had been saved from the pillaging of the revolutionary forces, the rescue of the "heroine" may yet end in commercial ruin due to the intransigent policies of the Settlement's foreign voters in refusing to negotiate the status of the area with the Chinese. This, Powell saw as the surest way to the destruction of the business community.[67] In his mind, change was inevitable and if the foreigner refused to cooperate with the Chinese on a basis which the Chinese considered equitable, then the Chinese would adopt another plan, implying the forceful takeover of the foreigner's commercial stake in Shanghai.

Throughout, Powell stressed in his editorials that what the foreigner faced was a practical situation in need of practical solutions. The practical problem was of "China's right to control her own household without foreign interference." In order to save what he had, the foreigner had to accomodate the aspirations of the Nationalists and thereby reach a rapprochement with them. In line with this thought, he embarked on a vigorous campaign to alleviate what he considered to be the greatest obstacle to such an understanding, the jurisdiction of Shanghai and the status of the Settlement. Powell, during the preceding months, had not deemed it either necessary or wise for the foreigner to completely abandon his position or his interests in China. However, during the spring of 1927 the unyielding posture of the Municipal Council in the face of the Nationalist advance caused him to alter his policy radically. Shortly after the Chinese had overrun the British Concessions in Hankow and Kiukiang, Powell called upon the Municipal Council to "put its house in order before its too late" and to make adjustments along the lines of the joint Sino-French administration established in the French Concession.[68]

In March, the Shanghai Municipal Council resolved that the time had not yet come for any drastic change in

the administration of the Settlement. Powell then attacked the "vested interests . . . opposed to any adjustment" in Shanghai.[69] He sought to apply added pressure with the warning that it would be expecting a great deal to think that the Powers would permit Shanghai to remain a permanent source of friction with China or to expect the Chinese to permit the foreigner to control Shanghai exclusively.

By the end of March, with the Council bending all its efforts in the direction of barricading the Settlement against a possible attack by the Chinese and in exhorting the Powers to actively share in the defense measures, Powell proposed, in effect, the abolition of the Council itself. His plan called for the formation of a "super-government" in Shanghai directly responsible to the Powers and China. This, he asserted, would break down the vested interests on both sides. Powell's "Greater Shanghai" would fuse the two foreign Concessions with the Chinese city under a unified command and ease the transition to complete Chinese sovreignty.[70]

If there was ever any hope for the adoption of such a scheme by either side, the possibility was soon dispelled in the uproar which attended the Nanking Incident of March 24, 1927. Fear and apprehension gripped the International Settlement and the Municipal Council stepped up its defense measures. In the array of barbed wire entanglements, machine gun sentries perched behind sandbag barriers and the presence of a large force of foreign (mostly British) troops, Powell saw only new and provocative incentives to violence in what he termed a "vicious circle of barbed wire with no openings for compromise."[71]

Accordingly, as the Municipal Council issued a statement urging the Powers to take a strong retaliatory policy amounting to armed intervention, Powell let loose his most flagrant attack on the Council. He labeled the Council the "cause of most of the past trouble in Chinese-Foreign

relations" and an "irresponsible body" for its policy of opposition to a compromise or a conciliatory policy. The answer now, as Powell saw it, was for "the Powers to intervene and dissolve the Municipal Council and take matters into their own hands" before "everybody has either been killed or has gone broke." [72] Paradoxically, Powell found himself joining the so-called "reactionaries" in the plea for foreign intervention, but against the foreigner and not against the Chinese!

In the weeks that followed Powell continued to call for a "Greater Shanghai." The Nanking affair, he proclaimed, did not alter the fact that outstanding questions would have to be solved by other than military means. "The Chinese," he said, "will be pacified when the Chinese get justice." [73] By May, after the Kuomintang takeover of Shanghai, Powell advocated the implementation of his proposal by an administration composed of an equal number of Chinese and foreigners with a Chinese chairman to be appointed by the government of China. The local foreign administrations of the Settlement and the French Concession would continue to exercise authority in purely local affairs during a brief transitional period. [74]

In the event that such a plan were to prove too unwieldy, Powell had still another alternative. The American and Japanese members of the Municipal Council should simply resign. This would make the Council an exclusively British body and hence amenable to the British authorities. The British could then proceed toward a settlement with the Chinese along the lines they had pursued in Hankow and Kiukiang. [75]

Whether or not Powell's proposals contained in them the germ of a solution and a plausible formula for working out Shanghai's difficulties will be discussed subsequently. In any case his pleas met with the vociferous opposition of Shanghai's dominant elements, backed by the editorial guns of the North China Daily News and Herald. The British-owned publication had long since made known its opposition

to a conciliatory policy and after the Nanking Incident had specifically called for the British reoccupation of Hankow and Wuchang to restore order in China.[76]

Facing this unbending opposition from the most influential quarters of the Settlement, Powell concluded that the only cure for Shanghai's maladies was the transfusion of new blood. As portrayed in The Review's columns, the "Shanghai mind" was entirely unaffected by the events in China of the previous twenty-five years. The "small group of willful men" who controlled the Settlement "shut up in a hermetically sealed and isolated glass case," devoid of contact with the Chinese and unaware of what they were really thinking and why.[77] But now, from Powell's viewpoint, the day of the "Old-China Hand" was finished. Men with such an outlook were only a detriment to the business interests of the foreign community. These men, he advocated, should be recalled home immediately and replaced with "men of vision . . . (who) . . . have knowledge and sympathy for what the Chinese people are trying to accomplish."[78] Powell, at this juncture, was ready to make a flat offer to the Chinese granting all of the Chinese demands with respect to Shanghai.

For the most part, Powell's approach and proposals for dealing with the problems of Shanghai more closely approximated grand, sweeping gestures than substantive plans rooted in a realistic assessment of feasibility. The chief trouble was that during much of this period there was no one with whom to negotiate. The Nationalists were not yet in control of the entire country nor recognized as a legal government. The Northern warlords commanded neither the loyalty of the Chinese nor the respect of the foreigner, except those with vested interests in the militarists' retaining some symbol of power.

Therefore, the machinery was generally lacking for effectively carrying out Powell's schemes as he envisaged them. Illustrative of the dilemma which Powell never quite overcame was his editorial advice to American officials

in late April, 1927.[79] By this time he had adopted the position that the United States government should abolish its treaties with the Chinese. In laying a new basis for Sino-American relations, Powell then suggested that the United States dispatch a High Commissioner to China for talks with Chiang or Chang Tso-lin (then in control of Peking) or both---a procedure undoubtedly inimicable to both sides in the Chinese political picture.

e. The Review and the American Chamber of Commerce.

The clash between Powell and the American Chamber of Commerce brought full circle the shift in Powell's own views and vividly pointed up the deep cleavages which had occurred within Shanghai's foreign community. Again, it is interesting to recall that The Review's editor had been an active member and one-time officer of the American body. As recently as August 1925 he had defended the Chamber's record when United States Senator William Borah attacked it as part of an "imperialistic combine" in the Far East.[80] By the late spring of 1927, however, the American Chamber of Commerce had been placed alongside its British counterpart as the object for scorn in The Review's editorials.

It was during the height of the tension surrounding the Nationalist entrance into Shanghai, compounded by the sensational reports of the Nanking Incident, that the Chamber broke a long-standing silence and called upon the American government to participate in a "strong" policy towards the Chinese. In January it had expressed its anxiety over the dangers to Shanghai inherent in the Chinese developments and had urged the American government to recognize the seriousness of the situation.[81] On April 2, however, it issued a statement calling for an aggressive United States policy in concert with the other Powers. The Chamber's resolution favored armed intervention and attributed disorder in China to "militarism, brigandage, and

Bolshevism." [82] To push its viewpoint it embarked on a campaign of cablegrams to the American press and to Washington officials.

In the Chamber's eyes, The Review, as the only American-owned and operated journal in Shanghai, was not only misrepresenting what it believed to be United States policy and interests in China but damaging as well its own program for dealing with the nationalist movement. At the same time, animosities Powell had aroused with his stand on the questions of intervention and the administration and defense of the Settlement were further accentuated by his response to the reports of violence in Nanking.

The calm and comparative indifference of The Review's report of the episode, and the perspective of its subsequent analysis, was in contrast with the emotional testimonies and indignant calls to force produced by its Shanghai competitors and which reflected the feelings of most of the Settlement's foreign residents. Powell's initial coverage dealt matter-of-factly with a reproduction of the various accounts which had come from Nanking. [83] Later, he placed the responsibility for the acts of violence on the foreigner's long record of force and brutalities in their treatment of the Chinese. He found the incident the natural result of the racial antagonism built up in Sino-Foreign relations since the Boxer Rebellion. Instead of deploring the Chinese actions, he declared that there were no possible grounds for being offended when the Chinese retaliate in kind as long as the foreigner persisted in using "primitive force" to maintain his "so-called rights" in China. [84]

By the end of April the American Chamber of Commerce could no longer contain its displeasure with The Review. Without forewarning either to its members or to Powell, the Chamber's Board of Directors issued its resolution calling for The Review's resignation at the Chamber's annual meeting. In part it read: " . . . having regard